



DASHBOARD

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MACROECONOMIC SNAPSHOT

Philippine economy seen to post growth of 5.9% in 2013: BofA

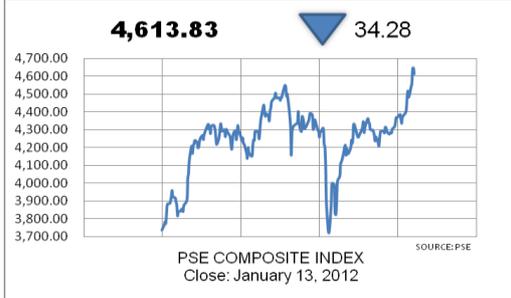
The Philippine economy is expected to post a further accelerated growth next year, with its pace the second fastest among five Southeast Asian economies this year and the next. The Bank of America (BofA) Merrill Lynch, in its report titled "2012: Navigating Turbulence" released yesterday, forecasts a growth of 5.9% next year coming from a 4.4% uptick this year and a 3.7% gain last year. The bank advised clients to start the year cautiously, focusing only on dividend-yielding stocks and investment-grade bonds as concerns abound in advanced economies. (BusinessWorld)

Customs to miss 2011 target

The Bureau of Customs, the country's second largest tax agency, said yesterday that it would miss its P320 billion collection goal for this year. Customs Commissioner Ruffino Rozzano B. Biazon said that the agency's collections, which account for about a fifth of government's annual income, would likely reach only P290 billion this year. The announcement comes after Biazon reported that collection in October rose 13 percent from a year earlier to P22.7 billion, but short of last month's target of P30.48 billion. But despite the lower collection, Biazon was still optimistic that the bureau will cut its revenue shortfall in the final two months of 2011, saying many importers normally pay their taxes towards the end of the year. (Manila Bulletin)

Europe keen on developing ties, trade with Philippines

The European Union is keen on expanding trade and development cooperation with the Philippines, citing the country's growth prospects for 2012, diplomatic officials told the Inquirer. According to Ambassador Guy Ledoux, the EU's head of delegation, the Philippines stands to gain in terms of goods and labor exported to the world's top single market. "If ever there is one, it will be a short, shallow recession in the EU. That means exports may at least be in the same level as last year and there will be products, like innovative electronics products, which can grow even if there is not much happening in the economy. Employment growth in the EU will not be there, but certainly not worse," Ledoux explained. In terms of development cooperation, the EU's overall allocation for the Philippines from 2007 to 2013 is 130 million euros. "We will talk about further aid, beyond 2013, this year," Ledoux said. (Philippine Daily Inquirer)



	Friday, January 13 2012	Year ago
Overnight Lending, RP	6.50%	6.00%
Overnight Borrowing, RRP	4.50%	4.00%
91 day T Bill Rates	0.919%	3.85%
Lending Rates	7.7195%	7.79%

FINANCIAL TRENDS

PSEi inches to new high; Asian stocks fall

Investors are expected to tread cautiously this week after nine euro zone economies saw their credit ratings slashed last Friday and as the impeachment trial of Chief Justice Renato C. Corona starts today, analysts said. A slower momentum would be in stark contrast to last week, when positioning on blue chips expected to do well this year, heavy foreign buying and optimism due to upbeat US data combined to lift the PSEi by 2.91% to 4,613.83 from a week earlier. The broader all-share index gained 2.37% to 3,129.07 last Friday from a week ago. The local bourse notched a fresh peak at 4,648.11 last Thursday, before succumbing to profit taking last Friday. (BusinessWorld)

P/\$ rate closes at P44.06/\$1

The peso exchange rate stands at P43.75 to the US dollar, the closing rate last Friday at the Philippine Dealing & Exchange Corp. (PDEX). The weighted average rate stands at P43.813. (Manila Bulletin)

INDUSTRY BUZZ

European auto must cut capacity by 10%-20%, says Fiat

The European auto industry needs to cut its capacity by 10% to 20% in response to slack consumer demand that will likely continue through 2014, Fiat Chief Sergio Marchionne said Wednesday. "If volumes stay where they are, I think if you took out 10% to 15% of the capacity, maybe 20% of the capacity in Europe, automakers will reach a sustainable level of production," Marchionne told reporters. Asked what his forecast is for European vehicle demand, Marchionne said he expects it to "stay flat through 2014." (BusinessWorld)

Cars pump up IQ to get edge

Manufacturers like General Motors Co., Ford Motor Co. and Daimler AG's Mercedes-Benz Cars division are using the Consumer Electronics Show in US to show off a set of computer services that operate online, or through the "cloud," and allow customers to remotely track their cars, diagnose what's wrong with them and potentially avoid collisions. The products are part of efforts among car makers to use the Internet to offer features that have become commonplace throughout the technology industry. Along with that, though, come the problems associated with accumulating so much consumer data, specifically how that information is used and protected. (The Wall Street Journal)

